



PICC 中国人保财险

北京2008年奥运会保险合作伙伴
OFFICIAL INSURANCE PARTNER OF THE BEIJING 2008 OLYMPIC GAMES

2006 Annual Results Presentation

April 18, 2007

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Management

Mr. Wu Yan

Chairman

Mr. Wang Yi

Vice Chairman, President & CEO

Mr. Wang Yincheng

Executive Director, Executive VP & CFO

Ms. Liu Zhenghuan

Executive Director, Executive VP & Board Secretary

Agenda

Performance Highlights and Development Strategy

Business Overview and 2007 Outlook

Financial Results

2006 Performance Highlights

1 Rapidly growing premium income

2 Further expanded size of assets

3 Significantly improved investment gains

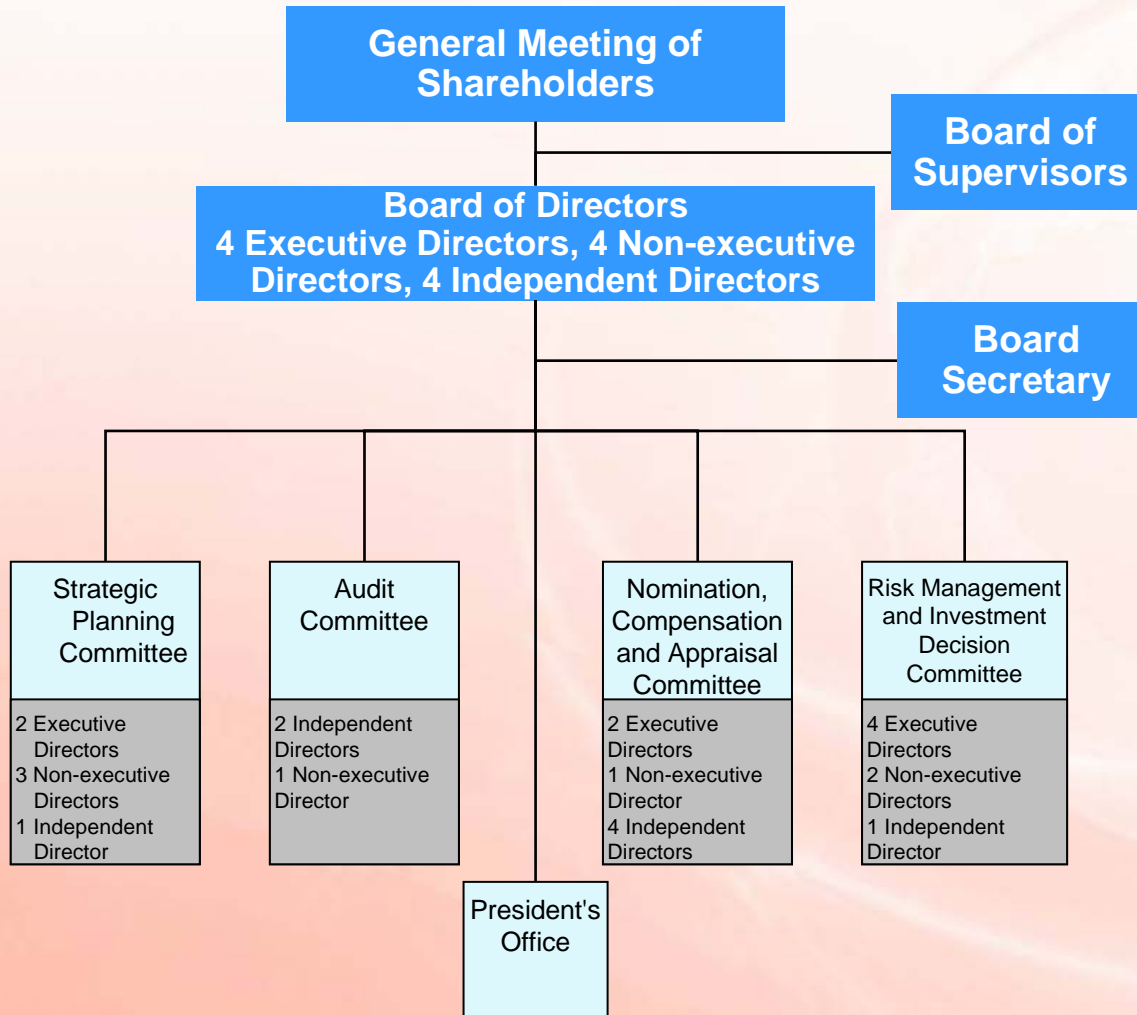
4 Substantially strengthened profitability

5 Continuously enhanced capital strength

6 Further improved corporate governance

Performance Highlights

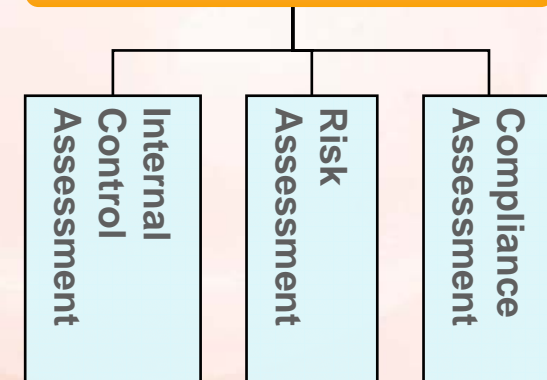
Further Improved Corporate Governance in 2006



Corporate Governance

- Clearly defined responsibilities of the Board of Directors, all special committees, the Board of Supervisors and the management
- Improved corporate governance structure, with one independent director and one independent supervisor newly appointed

Internal Control



Strategic Development Opportunities

Strategic Opportunities

Sustainable, rapid and healthy development of the national economy

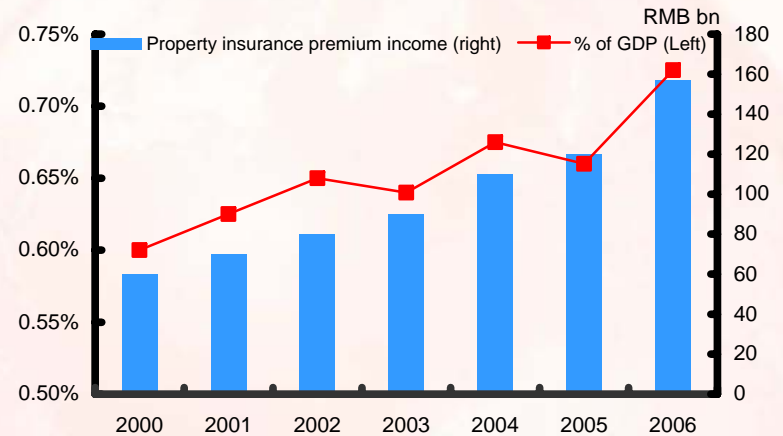
Favorable environment for the insurance sector provided by the state policy

Continuously favorable capital market with expanded channels for investment

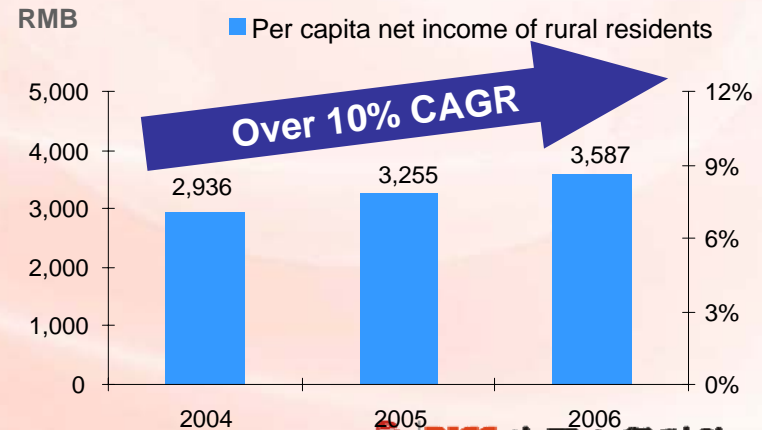
Branding effect and enormous opportunities presented by being the insurance partner of the Olympic Games

Profitability to be improved by the launch of the tax regime reform

Continued Strong Growth of the Property Insurance Market



Enormous Potentials of the Rural Market



Strategic Development Opportunities

Consolidate and speed up the development of P&C insurance

Develop life insurance business with beyond-conventional efforts

Explore the areas of asset management and Capital operations

World-class modern financial insurance group

Our Development Strategies

Development Strategies

- 1 Market Expansion Strategy
- 2 Product Innovation Strategy
- 3 Meticulous Management Strategy
- 4 Cooperation Strategy
- 5 Talents Strategy
- 6 Capital Operations Strategy

Development Goals

To realize PICC
P&C's great-
leap-forward
development

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Performance Highlights and Development Strategy

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2006 Financial Results Overview

	2005 ⁽¹⁾	2006	% Change
RMB mm			
Turnover	65,914	71,348	+8.2%
Net premiums earned	53,384	55,616	+4.2%
Underwriting profit	1,508	604	-59.9%
Investment income	1,142	4,015	+251.6%
Including: interest, dividend and rent income	1,478	1,689	+14.3%
Profit before tax	1,945	3,800	+95.4%
Net income	940	2,082	+121.5%
EPS (RMB) ⁽²⁾	0.084	0.187	+0.103

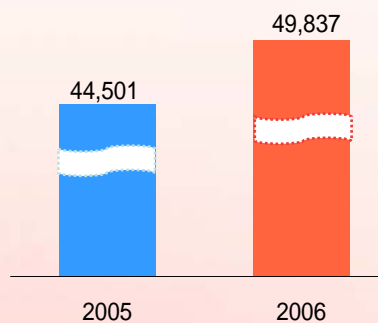
1. 2005 numbers restated

2. Based on shares outstanding at the year-end

Turnover by Segment

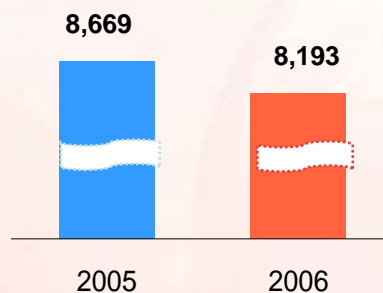
Motor Vehicle

RMB mm



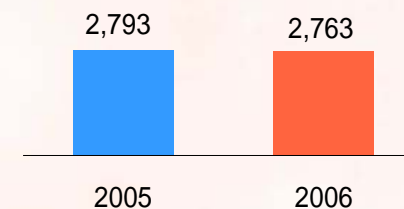
Commercial Property

RMB mm



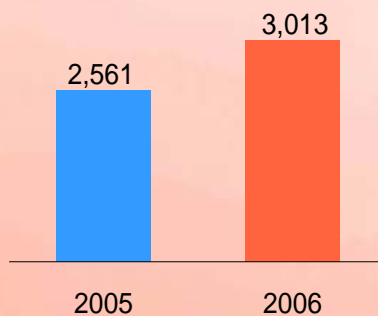
Cargo

RMB mm



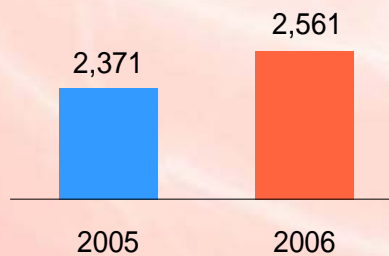
Liability

RMB mm



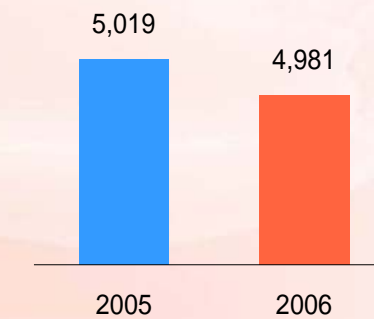
Accidental Injury

RMB mm



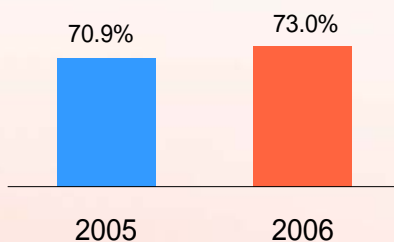
Others

RMB mm

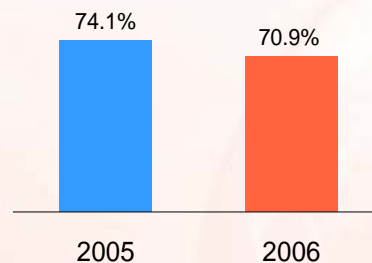


Loss Ratio by Segment

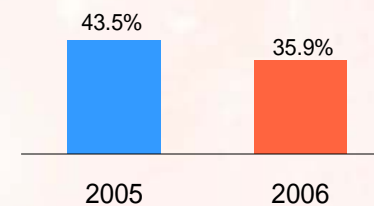
Motor Vehicle



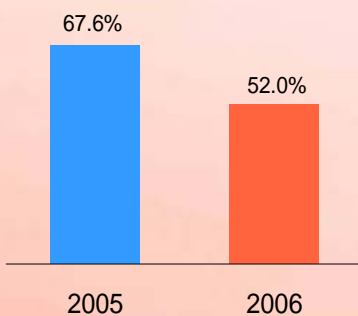
Commercial Property



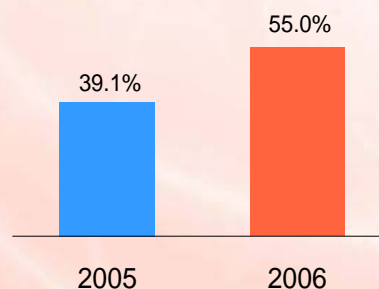
Cargo



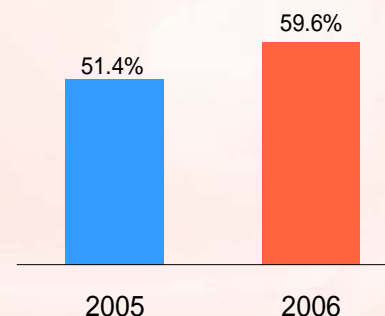
Liability



Accidental Injury



Others



	2005	2006	% change
Overall loss ratio	68.1%	69.4%	+1.3 percents

Key Initiatives for 2007



2007 Outlook – Achieve “Four Targets”



Agenda

Performance Highlights and Development Strategy

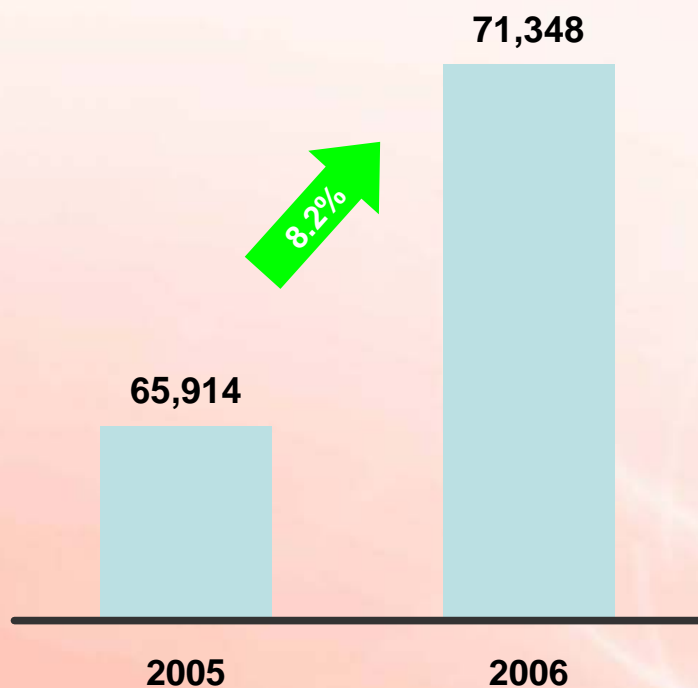
Business Overview and 2007 Outlook

Financial Results

Growing Premium Income

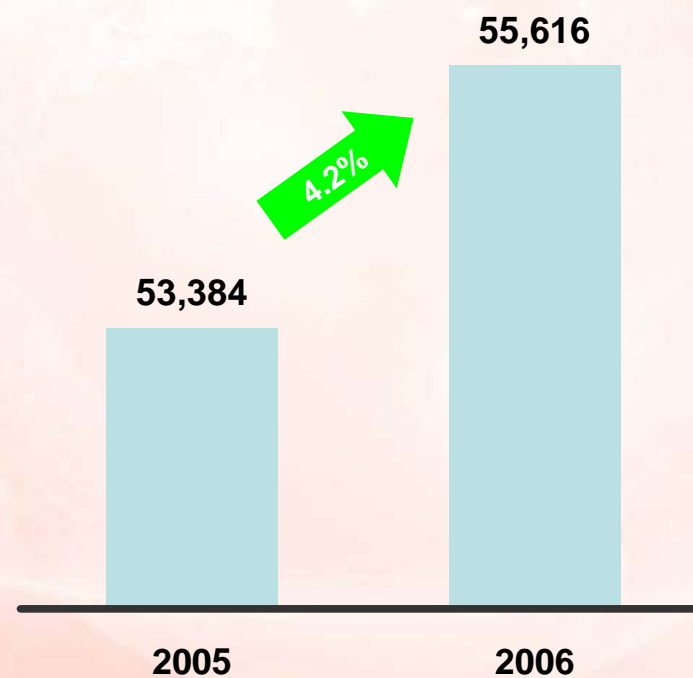
Turnover

RMB mm



Net Premiums Earned

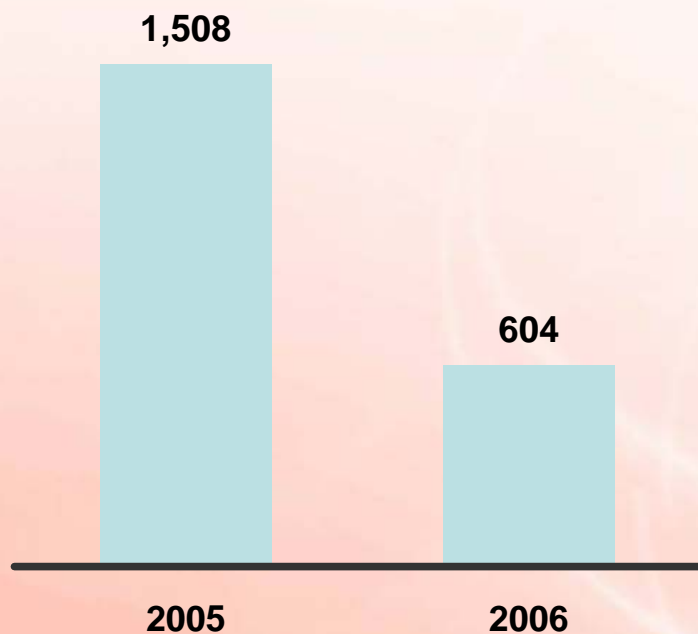
RMB mm



Underwriting Results

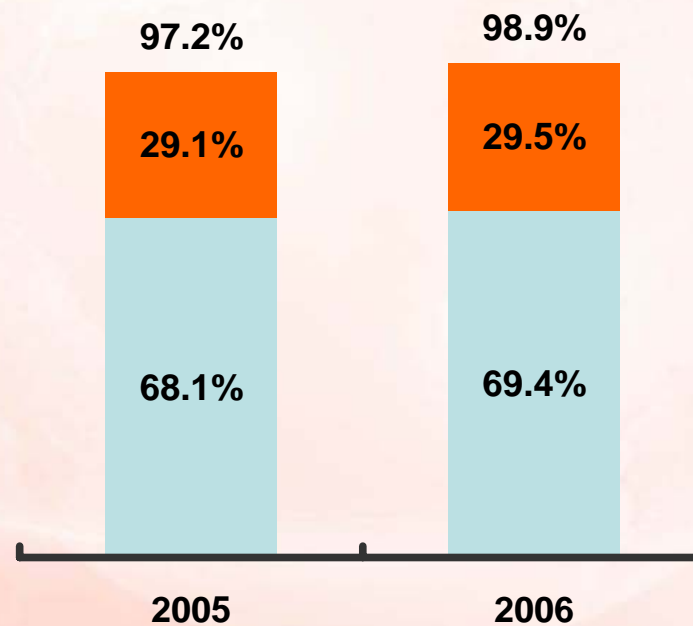
Underwriting Profit

RMB mm



Combined Ratio

RMB mm



Optimized Cost Structure

Expense Ratio

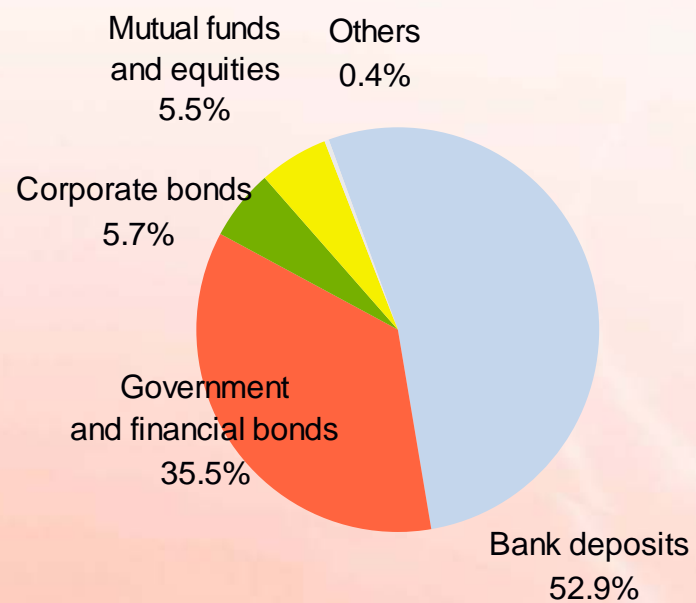


G&A as % of Total Operating Expenses

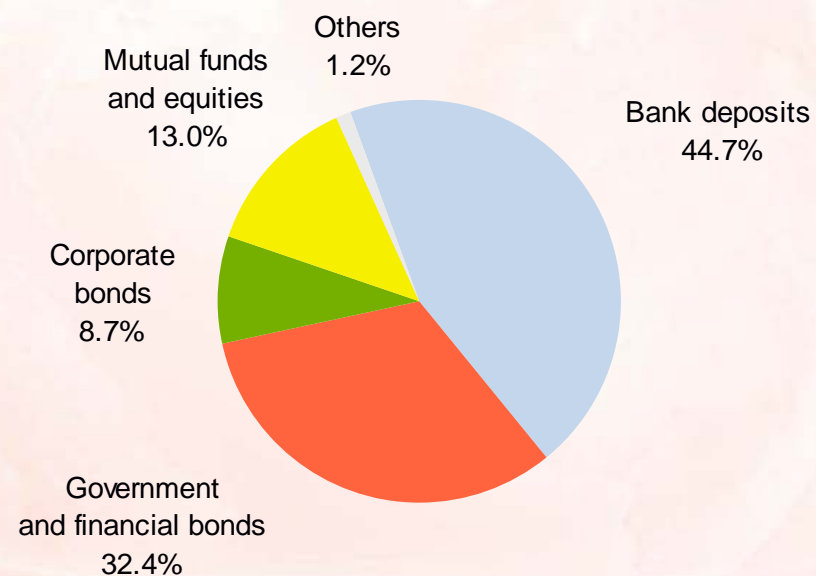


Proactive and Prudent Investment Portfolio

December 31, 2005 ⁽¹⁾



December 31, 2006 ⁽¹⁾

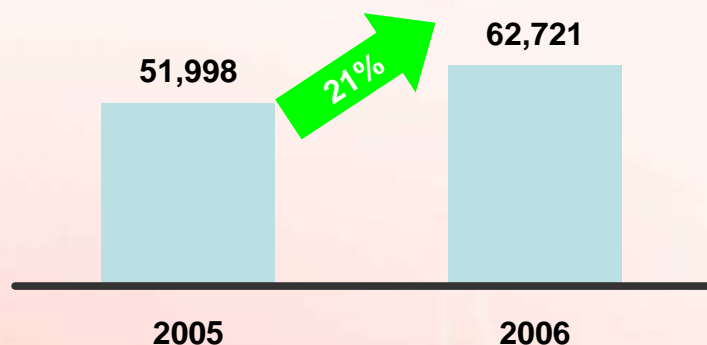


1. Percentages may not add up to 100% due to rounding.

Significantly Increased Investment Gains

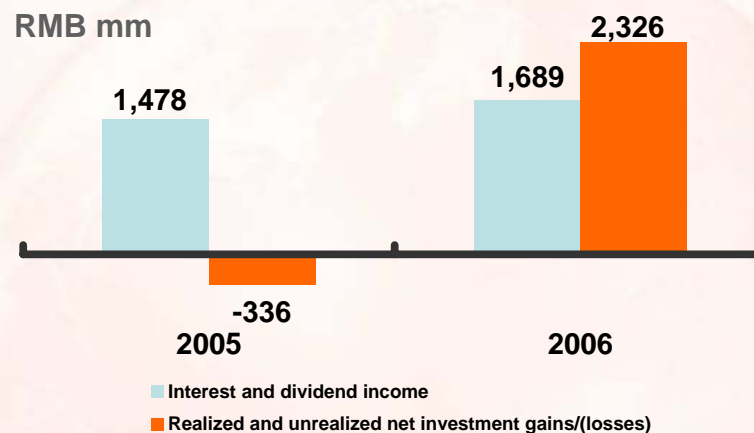
Investment Assets

RMB mm



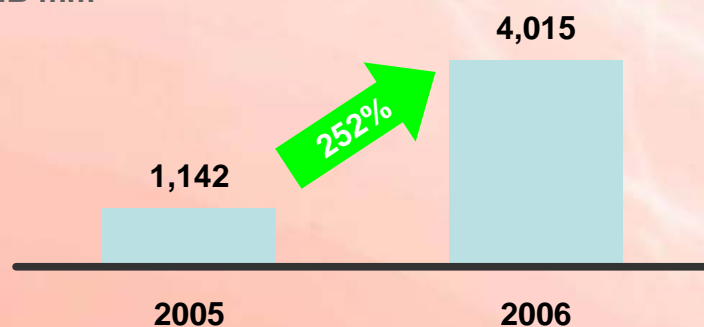
Investment Gains Breakdown

RMB mm

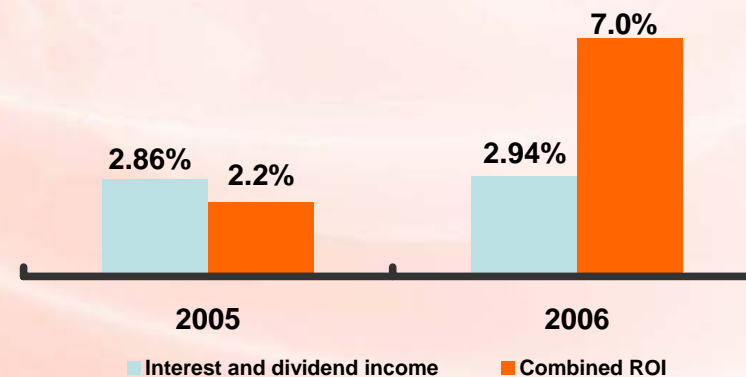


Investment Gains

RMB mm



Return on Investment

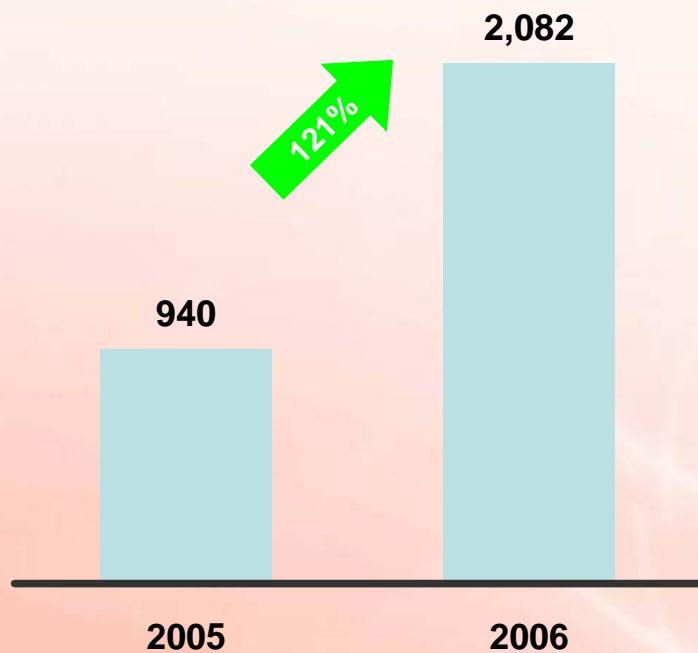


(1) Including realized and unrealized net investment income/loss

Substantially Strengthened Profitability

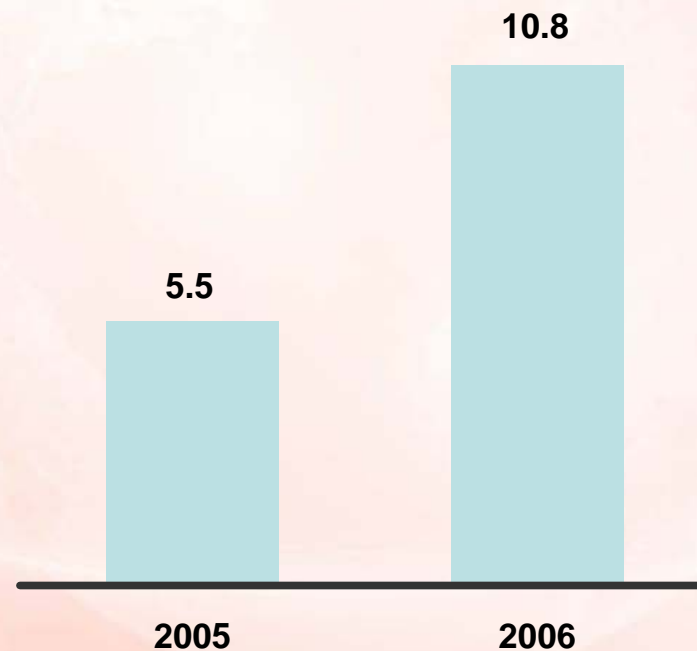
Net Income

RMB mm



ROE

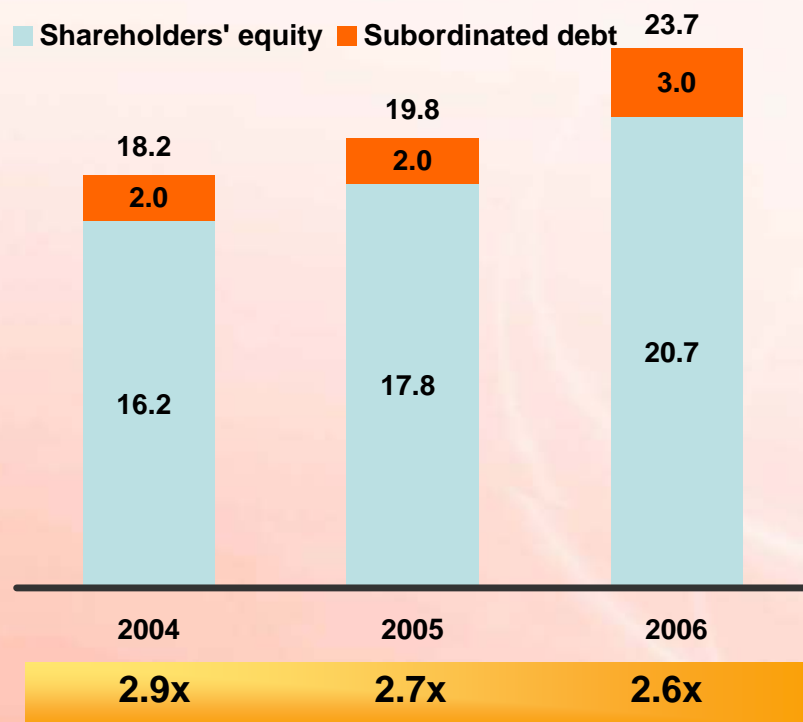
%



Continuously Improved Capital Strength

Capitalization

RMB bn



Net premium
(Shareholders' equity + Subordinated debt)

Solvency Margin





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Thank You!